



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio Department of Medicaid  
50 West Town Street, Suite 400  
Columbus, Ohio 43215

We have performed the procedures enumerated below on the Jefferson County Board of Developmental Disabilities DBA Shaffer Plaza C's Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2021 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the management of the ICF-IID. The ICF-IID is responsible for the Cost Report for the year ended December 31, 2021 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Ohio Department of Medicaid and the Ohio Department of Developmental Disabilities have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the ICF-IID's Cost Report for the year ended December 31, 2021, and certain compliance requirements related to the Cost Report and Medicaid services. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

### Census Data and Medicaid Paid Claims

1. We footed the Facility Daily Census reports. There were no computational errors. We compared the total of inpatient and leave days from the census reports to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected eight residents from the Facility Daily Census reports and included residents with leave days in the selection. We obtained the medical records for the selected individuals for one month. We confirmed the ICF-IID maintained service documentation for each selected date as required by Ohio Admin. Code §§ 5123-7-12(H) and 5123:2-3-04(I). We found no omitted days.

For any reimbursed leave days, we totaled leave days for each resident for the year from the Facility Daily Census reports. We found no residents had over 30 days for the year.

3. We compared the number of reimbursed Medicaid days with the total Medicaid days reported on *Schedule A-1*. We found that reported days are greater than net Medicaid reimbursed days.

## Revenue

1. We agreed the revenue reported on *Attachment 1, Revenue Trial Balance to the Trial Balance*, Room and Board worksheets, and Detailed Revenue reports with the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12. We found omitted revenues exceeding \$500 as reported in the Appendix.
2. We scanned the description in the Trial Balance, Room and Board Worksheets, and Detailed Revenue reports for any discounts, allowances or refunds or rebates and compared these entries to the chart of account codes on *Attachment 2, Adjustments to Trial Balance; Schedule B-1, Other Protected Costs; Schedule B-2, Direct Care Cost Center; or Schedule C, Indirect Cost Care Center*. We found unrecorded offsets as reported in the Appendix in accordance with CMS Publication 15-1 § 804.

## Non-Payroll Expenses

1. We compared all non-payroll expenses from the Trial Balance Expenses by Account report to *Schedule B-1, B-2 and C*. We found no variances exceeding \$500 or resulting in decreased costs.
2. We scanned the Trial Balance Expenses by Account report for potentially unallowable or improperly allocated costs and costs with no business purpose associated with the ICF-IID per CMS Publication 15-1, § 2102 to 2139 and § 2302.4.

We selected 30 non-payroll expenses from *Schedules B-1, B-2, and C* that exceed \$500 and obtained the invoice and/or contract for each expense, and, if the purpose of the expense was unclear, we inquired with the ICF-IID. Using this documentation, we performed the following procedures on each expense:

- We confirmed that the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances resulting in decreased costs.
- We footed the invoice/documentation for accuracy. We found no computational differences resulting in decreased costs. We compared the invoice rate to the contracted rate. We found no variances within the rates.
- We compared the documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139. We found no non-reimbursable costs.
- We compared the documented type of non-payroll expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12 and the Instructions for completing the Ohio Department of Developmental Disabilities calendar year cost report for Intermediate Care Facilities for Individuals with Intellectual Disabilities Cost Report (Cost Report Instructions). We found no variances between schedules exceeding \$500.
- We documented the name and type of expense and inquired with ICF-IID to confirm that the business purpose of the expense benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found no cost that did not benefit the ICF-IID.
- We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 and the ICF's Depreciation/Capitalization Policy to confirm that the expense was not a capital asset. We found no unidentified capital assets.

### Non-Payroll Expenses (Continued)

- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.4. We found no variances resulting in decreased costs. We confirmed each amount was expensed during 2021 and used the proper accounting basis in accordance with the Cost Report instructions.
3. We compared the cost methodology used for home office salaries and benefits in the Home Office Payroll Allocation worksheet for *Schedule C* and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150. There were no reclassifications or adjustments resulting in decreased costs.

### Property

1. We compared the initial square footage and year of construction of the 256 John Scott Highway facility from the floor plans and other supporting documentation to *Attachment 9, Fair Rental Value Survey*. There were no differences in the year of construction or square footage variances exceeding 10 percent.

We also compared the square footage, type and year of construction for two recent removals from the Department of Developmental Disabilities notification letters and Jefferson County Auditor's Property Tax records to *Attachment 9, Log 1: Additions and Removals* and the Cost Report Instructions. There was a variance in the project year for one removal as reported in the Appendix.

2. We compared the project year, type and cost for five recent renovations from the invoices to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the renovations to the Cost Report Instructions. There were no year or type variances or decreases in costs.
3. We compared equipment depreciation from the Depreciation Schedule to *Schedule D, Capital Cost Center*, the Cost Report Instructions. There were no variances.

We scanned the Depreciation Schedule and Trial Balance Expenses by Account report to identify any reported loss on *Schedule D* not in accordance with CMS Publication 15-1, § 104.10(E). We found no capital loss.

We selected one capital asset from account 8040 which was being depreciated in the first year. We recalculated the first year's depreciation for the one asset selected, based on the Cost Report instructions and useful life prescribed in the 2018 American Hospital Association (AHA) Asset Guide and Appendix A of Ohio Admin. Code § 5123:2-7-18.

We compared the recalculated depreciation to the reported depreciation and found no variances resulting in decreased costs.

### Payroll

1. We compared all salary and fringe benefits on the Bi-Weekly Payroll Summary and Home Office General Ledger to *Schedules B-1, B-2, and C*. There were no variances resulting in decreased costs as reported in the Appendix.

We also compared hours and percentage of time worked and salaries from the Home Office Allocation worksheet and Year End Pay Sheet reports to *Schedule C-1, Administrator's Compensation* and *Schedule C-2, Owner's Relatives Compensation*. There were no variances resulting in decreased costs.

### **Payroll (Continued)**

2. We obtained the Bi-Weekly Payroll Summary and selected five employees reported on *Schedules B-2* and *C* and obtained the organizational chart and job description (payroll documentation) and if the programs with benefit from the employees' work is unclear, we inquired with the ICF-IID. We performed the following procedures on each selected employee:
  - We compared the employee payroll documentation to the Cost Report and confirmed documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances for unsupported expenses.
  - We compared the employee payroll documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the cost benefitted the Medicaid program in accordance with CMS Publication 15-1 § 2302.4. We found no non-reimbursable costs.
  - We compared the employee payroll documentation to the schedule and account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12 and to the Cost Report instructions. There were no reclassifications between schedules exceeding \$500.
  - We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.4 and determined if each amount was expensed during 2021 and used the proper accounting basis in accordance with the Cost Report instructions. We found no variances resulting in decreased costs.

### **Contracted Personnel**

We selected two contracted personnel reported on *Schedules B-2* and obtained the corresponding contracts, contract invoices, and one month of time sheets of work performed by each contract employee, and if the purpose of the contract expense is unclear, we inquired with the ICF-IID (contract documentation). Using this documentation, we performed the following procedures on each selected contracted personnel:

- We compared contract documentation to the Trial Balance Expenses by Account report and Cost Report instructions to confirm documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances for unsupported expenses.
- We footed the contract invoice and found no computational errors resulting in decreased costs. We compared the invoice rate to the contracted rate and found no variances within the rates.
- We compared the contract documentation to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the costs benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found no non-reimbursable costs or costs that did not benefit the ICF-IID.
- We compared the documented contract cost and type of expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12. We found no reclassifications between schedules exceeding \$500.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.4 and determined if each amount was expensed during 2021 and used the proper accounting basis in accordance with the Cost Report instructions. We found no variances resulting in decreased costs.

We were engaged by the Ohio Department of Medicaid to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the ICF-IID's Cost Report and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the ICF-IID and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our agreed upon procedures engagement.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 10, 2023

**Appendix**  
**Jefferson County Board of Developmental Disabilities DBA Shaffer Plaza C**  
**Medicaid ICF-IID Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Schedule C Indirect Care Cost Center</b>				
32. Travel and Entertainment - 7235 - Other/Contract Wages (2)	\$ 965	\$ (405)	\$ 560	To record refunds for travel and entertainment costs as an offset
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 6,550	\$ (220)	\$ 6,330	To record refunds for nonreimbursable medical costs as an offset

**Attachment 1, Revenue Trial Balance**

59. Other-Reimbursements - 5400	\$ -	\$ 625	\$ 625	To add reimbursement revenue for travel and entertainment and nonreimbursable medical costs to Attachment 1
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**Attachment 2, Adjustments to Trial Balance**

1. Description (1)		Travel and Entertainment	Travel and Entertainment	To add offset for refunds for travel and entertainment
1. Revenue Chart of Accounts (2)		5400	5400	To add offset for refunds for travel and entertainment costs
1. Other Increases (Decreases) (3)	\$	(405)	\$ (405)	To add offset for refunds for travel and entertainment costs
1. Expense Chart of Accounts (5)		7235	7235	To add offset for refunds for travel and entertainment costs
2. Description (1)		Non Reimbursable Medical Costs	Non Reimbursable Medical Costs	To add offset for refunds for Non-Reimbursable Medical Costs
2. Revenue Chart of Accounts (2)		5400	5400	To add offset for refunds for Non-Reimbursable Medical Costs
2. Other Increases (Decreases) (3)	\$	(220)	\$ (220)	To add offset for refunds for Non-Reimbursable Medical Costs
2. Expense Chart of Accounts (5)		9725	9725	To add offset for refunds for Non-Reimbursable Medical Costs

**Attachment 9, Fair Rental Value Survey**

**Fair Rental Value Log 1: Additions and Removals**

1. Project Year	2015	6	(1)	2014	To correct the project year
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# OHIO AUDITOR OF STATE KEITH FABER



**JEFFERSON COUNTY BOARD OF DEVELOPMENTAL DISABILITIES DBA SHAFFER PLAZA C**

**JEFFERSON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 3/30/2023**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)